

BACK TO BASICS

Indiana Prosecuting Attorneys
Council
May 2013

Government Accounting

- Funds
 - Fund Types
 - Receipt Accounts
 - Disbursement Accounts

Get to Know The Funds You Work With

- Funds are established by statute or ordinance
- Understand the allowable
 - Receipts
 - Disbursements

Accounting For Monies

- Essential to provide public accountability and transparency
- Cash Change Funds
- Petty Cash Funds
- County User Fee Fund
 - Deferral
 - Pretrial Diversion
- Title IV-D Incentive Funds and other Grant Funds

Cash Change Funds

- IC 36-1-8-2
- County Council allows & determines amount
- County Auditor draws warrant to custodian of the fund
- **Safeguard**
- **Reconcile**
- Whenever there is a change in custodian of the cash change fund the entire fund must be returned

Petty Cash Fund

- IC 36-1-8-3
- Council authorizes & establishes amount
- Auditor warrant issued w/o appropriation
- **Safeguard**
- **Reconcile**
- Reimburse through claims process
- Custodian must return entire fund before leaving office

County User Fee Fund

- IC 33-37-8-5 and IC 33-37-8-6
- Deferral and Pretrial Diversion Fees
- County Council appropriates based on monthly claims submitted on oath by the program official
- Allowable disbursements are listed in IC 33-37-8-6(b)
- If you use (9) "any other purpose" – Document County Council approval.

Title IV-D Incentive Funds

- IC 31-25-4-23 and DCS guidance
- Funds 8893, 8896, and 8897 may be disbursed without appropriation or council approval unless for compensation of the elected official.
- Fund 8896 "Old" Title IV-D Incentive does not require disbursements to be for Title IV-D program activities, other funds do require this.
- Disbursements must always have a business, not personal, purpose

Grants

Federal

(fund numbers 8000s)

- CFDA Number
- Grant Agreement
- Budget or Appropriations
- Award Notice
- Federal Grantor or Pass-Through Agency Information
 - Contact Information
 - Grant Identifying Info
- Advance or Reimbursement Basis
- Period of Availability
- Matching Requirements
- Reporting Requirements
- Subrecipient Information

State and Other

(fund numbers 9000s)

- Grant Agreement
- Budget or Appropriations
- Award Notice
- Grantor Contact Information
- Reporting Requirements

Budgets

- Budget vs. Cash
- Budget = Appropriation
- Major Budget Classifications
 - Personal Services
 - Supplies
 - Other Services and Charges
 - Capital Outlay

Appropriation Transfers

- Within the same departmental budget
 - Same major budget classification
 - Auditor or Council per county policy
 - Between major budget classification
 - Council approval
- Across departmental budgets
 - Council reduces appropriation
 - Council adopts additional appropriation
 - Requires State approval

Required Reporting of NSF Checks and Bad Check Programs

- IC 36-1-8-13 requires governments that are unable to obtain payment on dishonored checks to refer the matter within 90 days after receipt
- IC 36-1-3 (Home Rule) governs bad check programs
- Charges for services are deposited to the general fund.
- More guidance is in County Bulletin, Volume 354, page 10.

Forms of Payment Accepted

- IC 36-1-8-11
- County Council designates
 - Cash
 - Check
 - Bank Draft
 - Money Order
 - Bank Card or Credit Card
 - Electronic Funds Transfer (EFT)
 - Any other financial instrument authorized by the county council

Daily Deposits

- IC 5-13-6-1
- Within the next business day of the financial institution
- Select a designated depository
- Deposit intact
- Public Deposit Insurance Fund (PDIF)

Reconcilement

- Error Correction
- Internal Control
 - Fraud Prevention
 - Fraud Detection

Remittance to County Auditor & County Treasurer

- Remittance should be timely
 - Monthly
 - Preferably after reconciliation
 - 10 days after month end

Purchasing

- Commissioners are purchasing agency for County
 - Name purchasing agents
 - Contracting body
 - Small purchase policy
 - Service contract policy

Claims

- County Auditors have a duty to audit claims
- IC 5-11-10-1.6 and IC 5-11-10-2
- They can be personally liable for failure to follow Indiana Code.

- Work with the auditor's office to know what they need and when in order to process claims efficiently

Common Claim Requirements:

- Fully itemized invoice or receipt & other supporting documentation
- If personal services – compliance with salary ordinance or contract
- Verify compliance with contract
- Verify the claim is correct
- Approved by official that received goods or service
- Proper appropriation
- Check for duplicate payment

Accounting System

System prescribed is uniform system of prescribed forms – manually completed

Prescribed forms may be replaced by computerized forms if approved

Cannot prescribe a computerized system

No approval of systems

Exact replicas do not require approval

Management reports do not require approval

Computerized Accounting Systems

- You are responsible for your system of accounting.
- Internal Controls
 - Within the system
 - Outside the system (manual)

Internal Controls

Computerized System

- Disaster Recovery
- Back Up Processing
- Logical Security
- Change Controls
- Audit Trails
- Input Controls
- Output Controls
- Interface Controls
- Internal Processing
- Error Correction

Manual Controls

- Reliability of:
 - Financial Information
 - Records
 (Includes Error Correction)
- Effectiveness and Efficiency of Operations
- Proper execution of management's objectives
- Compliance with laws and regulations

Employee Service Records

- Required for each employee
- Each office or county auditor may maintain
- Must be posted in compliance with the personnel policies for leave accruals, uses, and balance carry forward

Unclaimed Property

- IC 32-34-1-20
- Property that is held or owed is presumed abandoned if the owner has not communicated in writing with the holder or has not otherwise given an indication of interest in the property for 1 year

When to send Unclaimed Property to the Attorney General

- If the property is presumed abandoned and if:
- (1) the last known address of the apparent owner is in Indiana; or
- (2) other instances as listed in IC 32-34-1-21

How To Send Unclaimed Property To the Attorney General

- www.indianaunclaimed.com
- Click on "REPORTING"
- Forms
- Electronic Reporting Tool – required use for more than 20 properties.

Destruction of Records

- Indiana Commission on Public Records
 - www.in.gov/icpr
 - Beverly Stiers
- County Auditor Record Retention Schedule
- County General Record Retention Schedule
 - Use "Notice of Destruction"
- Not on schedule, request permission on form:
 - PR-1
